

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NKP

CINCPAC

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: DECEMBER 6 EA PRESS SUMMARY

1. INDOCHINA

LAT'S RICHARD RESTON (12/5) QUOTES INFORMED SOURCES THAT US HAS QUIETLY DROPPED IDEA OF RECONSTRUCTION AID TO NVN, DESPITE COMMITMENT MADE IN C-F. ADMIN OFFICIALS CITE CONTINUED SERIOUS DRV VIOLATIONS OF PEACE AGREEMENT AS MAIN REASON, AS WELL AS WIDESPREAD CONGRESSIONAL OPPOSITION. RESTON REVIEWS PERTINENT UNCLASSIFIED

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C-F ARTICLES, NIXON'S REPEATED PLEDGES OF AID TO NVN, HISTORY OF JOINT US-DRV PARIS-BASED ECON COMMISSION TO DISCUSS RECONSTRUCTION, AND HAK VISIT TO HANOI ON SUBJECT. US OFFICIALS SAID PARIS DISCUSSIONS WERE

HIGHLY TECHNICAL, BUT "SUDDENLY, BOTH SIDES DECIDED THEY REALLY DIDN'T HAVE ANYTHING TO TALK ABOUT ANYMORE," AND NVN RECONSTRUCTION IDEA "WAS SIMPLY ALLOWED TO DIE A NATURAL DEATH." HAK IN "OBS-URE" REMARK BEFORE SENATE FINANCE COMMITTEE ON 12/3 SAID, "WE ARE NOT PURSUING THIS AND DON'T EXPECT TO PURSUE IT IN ANY FUTURE I CAN SEE," WHICH, ACCORDING TO RESTON, IN EFFECT DRAWS CURTAIN ON NVN RECONSTRUCTION PROGRAM.

GVN MIL SPOKESMAN SAYS COMMUNISTS BOMBARD HUE DEFENSES FOR THIRD DAY IN ROW (UPI CHITRIB, WP). GVN CONVOY BATTLES WAY THROUGH COMMUNIST AMBUSH IN VINH BINH, LOSES AT LEAST 15 KIA (UPI, CHITRIB). VC DOWN CHOPPER 60 MILES NORTH OF SAIGON WITH HEAT-SEEKING MISSILE, 15 ABOARD DIE (UPI, WP). COMMUNIST UNITS STRIKE GVN FORCES IN SERIES OF LOCAL PRE-DAWN ATTACKS, ROCKET TRAINING CAMP TEN MILES NNW OF SAIGON, AMBUSH MILITIA COLUMN JUST OUTSIDE CAPITAL, AND CUT OFF DISTRICT HQ IN DELTA (REUTER SAIGON).

WP'S BRUCE PALLING IN VIENTIANE GIVES STATUS REPORT ON COALITION, FINDS STRONG INDICATIONS THAT THIS TIME LAOS' EXPERIMENT IN RECONCILIATION MAY WORK. NOTES FEW TANGIBLE ACHIEVEMENTS, BUT C-F BEING OBSERVED THROUGHOUT COUNTRY. SAYS BIGGEST CHALLENGE WAS SOUVANNA'S HEART ATTACK, BUT "RULE OF UNANIMITY" SAVED VIENTIANE SIDE SINCE CABINET SELDOM PRESENT; PHOUMI VONGVICHIT WAS AT UN AND OTHER MEMBERS TRAVELING IN SEARCH OF ECON AID. NATIONAL POLITICAL CONSULTATIVE COUNCIL HEADED BY SOUPHANOUVONG MEETS THIS WEEK AT LUANG PRABANG FOR SECOND TIME. PALLING COMMENTS THAT FIRST SESSION PRODUCED 18-POINT PLAN AND TEN-POINT REGULATION ON PRESS FREEDOM THAT WERE BOTH SO VAGUE THAT THEY CAN BE USED TO JUSTIFY POLITICAL ACTIONS, WHICH HAS VIENTIANE SIDE SOMEWHAT ANXIOUS. STATES THAT US EMBASSY TRIES TO MAINTAIN CORDIAL RELATIONS WITH COALITION AND SHOW SUPPORT FOR SOUVANNA. VIENTIANE SIDE AS FACTION-RIDDEN AS EVER, UNCLASSIFIED

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BUT OBSERVERS FIND PL MINISTERS LESS OPTIMISTIC THAT SOCIALISM CAN BE APPLIED RAPIDLY TO FORMER RLG ZONE, AND THEIR PRONOUNCEMENTS ARE LESS STRIDENT AND ACCUSATORY THAN IN PAST. BELIEVES RIGHTIST COUP RULED OUT BECAUSE OF LACK OF US SUPPORT AND CHANGE OF GOVT IN THAILAND, SO OBSERVERS AND DIPLOMATS SEE COALITION AS LIKELY TO SURVIVE. ADDS THAT REFUGEES HAVE STARTED TO RETURN TO PL ZONES, AND SOUVANNA TALKS VAGUELY OF ELECTIONS IN EARLY 1976 THOUGH PL CAREFULLY UNCOMMITTED TO FIRM REUNIFICATION DATE, BUT PROCESS WILL NOT BE MADE EASIER BY PRESENCE OF ESTIMATED 12-15,000 NVA IN PL ZONE.

S-N'S ARBUCKLE (12/5) FROM PP QUOTES KHMER AND DIPLOMATIC

SOURCES THAT SERIOUS RIFT DEVELOPED BETWEEN GKR AND US EMBASSY AFTER "US FORCED CAMBODIA" TO DEVALUE RIEL LAST MONTH. SAYS GKR BACKED BY INTERNATIONAL MONETARY ORGANIZATIONS AND OFFICIALS IN OTHER WESTERN EMBASSIES, AS WELL AS SOME IN US EMBASSY, ARE EXTREMELY WORRIED BY ECON PATH US IS PURSUING. SEES DEVALUATION FROM 420 TO 1200 RIELS TO US DOL AS SCHEME TO GET FOREX

INTO CENTRAL BANK FROM BLACK MARKET AND BORDER PROVINCES WHERE MUCH IS EARNED BY SMUGGLING. IDEA WAS TO SET LEGAL RATE AT ABOUT BLACK-MARKET RATE, BUT "RESULT HAS BEEN TOTAL CONFUSION." DIPLOMATS SAY AMERICANS WERE WARNED THAT NO KHMER WOULD CHANGE FOREX INTO RIELS UNLESS DOLLARS ARE AVAILABLE, SO BLACK MARKET RATE JUMPED TO 2000 AND LEGAL RATE MOVED WITH IT, AND BOTH ARE STILL CLIMBING. DIPLOMATS CONTEND KHMER ECONOMY IS LIKE WORN-OUT MACHINE AND US PLAYS ROLE OF TINKERING MECHANIC. ARBUCKLE SAYS "MAIN INTERNATIONAL MONEY ORGANIZATION" WITHDREW REP FROM PP LAST JAN BECAUSE OF DISENCHANTMENT WITH US ACTION. NOW KHMER ECONOMISTS AND CENTRAL BANK OFFICIALS ARE ANGRY AT US, ADMIT THEY HAVE NO SOLUTION, BUT SAY US FORCED DEVALUATION AGAINST THEIR JUDGEMENT AND EVEN RAISED RATE ONCE WITHOUT CONSULTATION.

UPI PP REPORTS LOT OF PEOPLE THINK WARRING SIDES ARE BOUND TO AGREE TO TRUCE SOON BECAUSE BOTH ARE KHMER AND WANT WHAT IS BEST FOR COUNTRY. GKR MIL OFFICER UNCLASSIFIED

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SEES MIL VICTORY AS IMPOSSIBLE FOR EITHER SIDE. POLITICAL ACCOMMODATION POSSIBILITY IS QUESTIONABLE SINCE SIHANOUK'S SIDE REFUSES TO NEGOTIATE, SO GKR SOURCE SAYS HAS TO EVOLVE AT LOWER LEVEL, WHICH FITS IN WITH PREDICTIONS FOR "MURKY PEACE, WORKED OUT AT THE LOCAL LEVEL WITH NO WRITTEN TREATY' THAT MANY THINK WILL EVENTUATE. UPI SAYS CONCEPT OF LOCAL AGREEMENTS FITS IN WITH PP VIEW THAT ENEMY IS BADLY FRAGMENTED, AND RUMORS SUGGEST THAT APPROACHES ALREADY MADE BY GKR AT LOCAL LEVEL WITH SOME LIMITED SUCCESS.

2. CHINA

CST DISPATCH SAYS EXPERIENCED CHINA WATCHERS IN HK ARE PUZZLED WHY PRC IS LEAKING INFO IMPLYING THAT US WARNED IT THREE TIMES THIS YEAR OF IMPENDING SOVIET ATTACKS. CHINA-WATCHING COMMUNITY IS CONVINCED REPORT IS ACCURATE AND CAME FROM PRC, BUT WHY PEKING DECIDED TO PUT OUT INFO IS MATTER OF SPECULATION. THEORY HOLDING WIDEST ACCEPTANCE IS THAT CHINESE LEADERS WANT TO "SPIT IN SOUP OF VLADIVOSTOK," AS ONE CHINA HAND PUT IT, REFERRING

TO "COZY" FORD-BREZHNEV MEETING LAST WEEK. ANOTHER THEORY IS THAT PRC WISHED TO DEMONSTRATE TO WORLD THAT, HOWEVER CLOSE US AND USSR MAY BECOME, SINO-US RELATIONSHIP IS JUST AS CLOSE.

HK CHINA WATCHERS ARE CONVINCED THAT REPORT OF US WARNINGS TO CHINA IS ACCURATE BECAUSE OF BACKGROUND

OF REPORT'S AUTHOR -- NEVILLE MAXWELL -- AND BECAUSE REPORT WAS NOT DENIED BY DOS. TIMING OF PRC'S RELEASE WAS TAKEN IN HK AS BEING RELATED TO VLADIVOSTOK MEETING, ALTHOUGH EXPERTS DISCOUNT REPORTS CHINA WAS IRRITATED THAT SUMMIT WAS HELD THERE. HK CHINA WATCHERS ARE INCLINED TO BELIEVE HAK'S CONTENTION THAT CHINA HAD AMPLE OPPORTUNITY TO COMPLAIN ABOUT SUMMIT SITE BUT DID NOT. RELEASE OF MAXWELL REPORT, COINCIDING WITH HAK'S PEKING VISIT COMING ON HEELS OF VLADIVOSTOK, TAKEN IN HK AS DEMONSTRATION HAK IS AT LEAST AS FRIENDLY TO PEKING AS TO MOSCOW (BALTO UNCLASSIFIED

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N-A, DEC. 5).

NYT UNGA SPECIAL SAYS SOME OF STRONGEST EXCHANGES OF CHARGES AND COUNTERCHARGES HEARD DURING CURRENT SESSION WERE TAKING PLACE THIS WEEK BETWEEN PRC AND SOVIET IN USUALLY STABLE LEGAL COMMITTEE CONCERNING PROPOSALS TO REVISE UN CHARTER. PEKING HAS CONSISTENTLY BACKED THIRD-WORLD MOVE EITHER TO DILUTE FIVE PERMANENT MEMBERS' POWER TO VETO UNSC RESOLUTION OR BROADEN THAT BODY TO INCLUDE NEW MEMBERS; USSR IS ADAMANTLY OPPOSED TO ANY CHANGES IN UNSC STRUCTURE; AND US, WHILE PLAYING LOW-KEY ROLE, IS KNOWN TO STAND CLOSER TO SOVIET THAN CHINESE POSITION.

3. JAPAN

NYT'S HALLORAN, IN TOKYO, SAYS MIKI FEELS SELF WEAK ON ECONOMICS; MAY RELY FOR ADVICE ON FUKUDA, ARCHITECT OF JAPAN'S TIGHT-MONEY POLICY, AND OKITA, DIRECTOR OF JAPAN ECONOMIC RESEARCH CENTER. QUOTES OKITA WARNING AGAINST DANGER OF CURRENT "SYNCHRONIZED DOWNTURN"; SUGGESTING CERTAIN AMOUNT OF INFLATION ACCEPTABLE TO AVOID UNEMPLOYMENT AND UNNECESSARY DEPRESSION; AND HINTING MIKI MAY BE LESS SYMPATHETIC THAN TANAKA TO HAK CALL FOR UNIFIED OIL POLICY AMONG CONSUMERS.

QUOTES MIKI SAYING WORKERS WOULD NOT ACCEPT WAGE CURB AS ONLY STEP TO HALT PRICE SPIRAL; INSTEAD, SAYS MIKI WISHES TO DISCUSS BEST MEANS TO SOLVE ECONOMIC ISSUES WITH REPRESENTATIVES OF LABOR.

LAT'S JAMESON, IN TOKYO 12/5, REPORTS MIKI CRITICISM OF LDP AS "CLOSED SOCIETY," SEEN BY PUBLIC AS PARTNER OF BIG BUSINESS, WHICH RELIES EXCESSIVELY ON MONEY. NOTES MIKI FIRST LDP PRESIDENT TO CHARGE CANDIDATES DEFY LAW LIMITING CAMPAIGN SPENDING UNDER PRESENT CORRUPT SYSTEM, AND QUOTES HIS WARNING DEMOCRACY WILL COLLAPSE IF LDP DOES NOT REFORM PRESENT SITUATION

IN WHICH MONEY RULES POLITICS. SAYS MIKI, DESPITE YEARS OF FAILURE TO REFORM PARTY, BELIEVES PERVASIVE UNCLASSIFIED

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SENSE OF CRISIS, WHICH LED TO HIS SELECTION DESPITE LACK OF FACTIONAL POWER, MAY NOW MOTIVATE PARTY TO REFORM ITSELF.

OFUSA, IN SPECIAL TO NYT FROM CHITA, REPORTS JAPANESE SHIPBUILDERS ESTIMATE CURRENT LOSSES OF 3.3 BILLION DOLS DUE TO INFLATION AND HIGHER OIL PRICES. BACKLOG OF OR ORDERS IS 56 MILLION TONS, BUT 96 PCT OF THIS CONTRACTED BEFORE 1973 OIL CRISIS; NEW ORDERS DOWN 64 PCT. SHIPBUILDERS SAY THEY WILL FULFILL CONTRACTS TO UPHOLD REPUTATION, DESPITE 40 PCT RISE IN PRODUCTION COST PER TON. SOME EXPECT DEMAND FOR TANKERS TO REMAIN STRONG, BUT MOST YARDS ARE CUTTING COSTS AND SWITCHING TO PRODUCTION OF ATOMIC POWER PLANT MACHINERY. (4 COL PHOTO OF SUMITOMO SHIPYARD).

JAPAN INTERNATIONAL TECHNOLOGY CORP BUYS INTO IMC MAGNETICS, AND HOPES TO EXPEDITE TALKS WITH IMC TO BUY CONTROLLING INTEREST (WSJ, TORRANCE, CALIF).

JOC'S CULLISON, IN TOKYO, SAYS EPA HOPES TO LIMIT WAGE INCREASE NEXT SPRING TO 20-25 PCT. LABOR IS ASKING 30 PCT, BUT FEDERATION OF EMPLOYERS' ASSNS WARNS ANYTHING OVER 15 PCT WOULD PRICE JAPAN OUT OF MANY MARKETS. NOTES GOJ AVOIDING INCOMES POLICY OR CONTROLS.

HITACHI CLOSES POWER PLANT MACHINERY PLANT FOR FOUR DAYS, AND NISHIN STEEL CUTS PRODUCTION OF PREPAINTED GALVANIZED STEEL 50 PCT IN DEC-JAN, BECAUSE OF LAGGING SALES (WSJ).

JOC WASHINGTON REPORTS SEATRAN LINES INC INSIST ON FULL FMC INVESTIGATION OF ANTI-TRUST ASPECTS OF PROPOSED REVENUE SHARING POOL BY SIX JAPANESE FLAG LINES ON CARGO THEY CARRY BETWEEN US AND JAPAN.

4. BURMA

STUDENTS REMOVE REMAINS OF U THANT TO UNIVERSITY

(WP). LATER PRESS REPORTS CITE GUB'S CLOSING SCHOOLS
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UNTIL FURTHER NOTICE.

5. MALAYSIA

POLICE USE TEAR GAS TO KEEP 5,000 ANTI-GOVT STUDENT
DEMONSTRATORS ON CAMPUS (PHINQ). RAZAK CALLS FOR

STRONGER ACTION AGAINST THOSE "USING DEMOCRATIC
PROCESS TO DESTROY DEMOCRACY."

6. KOREA

NYT (SEOUL) SPECIAL NOTES THAT, UNLIKE SUCH STRUGGLES
IN PAST, IN WHICH THERE WERE DEEP DIVISIONS, CURRENT
NDP SIT-IN INSIDE NATIONAL ASSEMBLY IS JOINED BY
THREE MEMBERS OF SPLINTER GROUP CALLED UNIFICATION
PARTY. AT WEDNESDAY NEWS CONFERENCE, KIM YOUNG SAM
SUBMITTED FIVE-POINT DEMAND TO GOVT, ASKING NOT ONLY
CHANGE IN CONSTITUTION BUT ALSO REOPENING OF SCHOOLS
AND RELEASE OF ALL ARRESTED DISSIDENTS. KIM
CHALLENGED PARK'S CONTENTION THAT CONSTITUTION AS IT
NOW STANDS IS NECESSARY TO AVERT COMMUNIST AGGRESSION
FROM NORTH. KIM MAINTAINED THAT BECAUSE PRES FORD
HAS PROMISED US WILL HELP DEFEND SK, HARSH
MEASURES ALLOWED UNDER CONSTITUTION ARE NO LONGER
JUSTIFIED.

LAT'S SHANNON, AT UN, SAYS SOVIET'S MALIK 'ECHOING
SPIRIT OF VLADIVOSTOK" URGED WEDNESDAY IN GA POLITICAL
COMMITTEE "ALMOST APOLOGETICALLY" THAT US TROOPS
BE WITHDRAWN FROM SK, WHERE THEY REMAIN UNDER
'DISGUISE" OF UN FLAG. IN SPEECH IN SUPPORT OF
COMMUNIST AND THIRD WORLD RESOLUTION CALLING FOR
WITHDRAWAL OF FOREIGN TROOPS FROM KOREA, MALIK
DIRECTED HIS MAIN ATTACK AGAINST SK "PUPPET REGIME"
WHICH HE CHARGED RESISTS EFFORTS BY NK TO UNIFY
COUNTRY. CANADA'S AMB RAE EARLIER DEFENDED US
POSITION, SAYING UNC IS NO BARRIER TO PEACE, AND
CAN ONLY BE WITHDRAWN BY UNSC WHICH CREATED IT.
RAE ALSO SAID CANADA REGARDS PRESENCE OF US TROOPS
IN SK AS US-ROKG BILATERAL MATTER. NK OBSERVER
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LI JONG MOK, SEEMINGLY OUT OF TOUCH WITH DETENTE
POLICIES, ACCUSED US TROOPS OF BARBAROUS ATROCITIES
IN SK. SHANNON SAYS US APPEARS CONFIDENT OF WINNING
VOTE IN FAVOR OF RESOLUTION IT SUPPORTS BY MARGIN

GREATER THAN TWO VOTES BY WHICH CAMBODIAN RESOLUTION WAS ADOPTED LAST WEEK.

UN SECRETARIAT SAYS IT HAS NOT HEARD FROM UNC IN FOUR YEARS. LAST REPORT UNC SENT TO UNSC IN NOVEMBER 1970 DID NOT INCLUDE NAME OF COMMANDERS, TROOP STRENGTH OR NATIONALITIES OF TROOPS; CUBA AND TUNISIA

DEMANDED THIS INFORMATION DURING DEBATE OF KOREAN QUESTION IN POLITICAL COMMITTEE (AP, CHITRIB).

COMMENT AND ANALYSIS

7. CHINA

NYT'S RESTON SAYS HAK SEEMS BIT DEPRESSED. THINGS NOT GOING WELL FOR HIM IN CONGRESS, HE GOT VERY LITTLE HELP FROM BREZHNEV AT VLADIVOSTOK ON DEEPENING ME CRISIS, AND EVEN WHERE HE FELT REAL PROGRESS WAS MADE - ON STRATEGIC ARMS TALKS AND JAPANESE VISIT - HE GOT POOR PRESS. IN PEKING, HIS MEETING WITH CHOU DIFFERENT THIS TIME. MUCH MORE GUARDED AND WAS SUDDENLY CUT OFF AFTER HALF HOUR, AND NOT APPARENTLY BECAUSE CHOU WAS TOO ILL TO CARRY ON. INDEED, CHOU SEEMED PHYSICALLY ABOUT AS BEFORE, IN COMPLETE CONTROL BUT PERHAPS NOT IN CHARGE.

THERE HAVE BEEN REPORTS OF CONFLICT WITHIN CHINESE GOVT OVER CHOU'S POLICY OF LIMITED RECONCILIATION WITH WASHINGTON, AND EVEN OF FACTION WITHIN CHINESE HIERARCHY WANTING LESS HOSTILE ATTITUDE TOWARD USSR. HAK APPARENTLY GOT VERY LITTLE INFO ON THIS, BUT CHOU'S POSITION REMAINS MYSTERY. ASSUMED IN WASHINGTON THAT SINCE PRES WAS INVITED TO VISIT PEKING NEXT YEAR, LEADERSHIP QUESTION UNDER MAO MAY BE SETTLED BY TIME HE ARRIVES, SINCE IT WOULD BE ODD TO INVITE PRES TO NEGOTIATE WITH DEPUTY PREMIER. UNCLASSIFIED

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CSM'S JOHN HUGHES REVIEWS SULZBERGER'S "POSTSCRIPT WITH A CHINESE ACCENT." SAYS THOSE LOOKING FOR SOME DRAMATIC NEW INSIGHT INTO CHINESE CHARACTER AND INTENTIONS WILL BE DISAPPOINTED. SULZBERGERS, HUGHES ADDS, GOT PRETTY MUCH SAME STANDARD TOUR, VISITED SAME OLD INFANTRY UNIT THAT BARED ITS MAOIST FANGS FOR EVERY VISITING AMERICAN NEWS PHOTOGRAPHER, AND TRAMPED AROUND MUCH-DISPLAYED CAVES OF YENAN WHERE MAO HID OUT AS YOUNG REVOLUTIONARY. IN 401-PAGE BOOK, IT IS NOT UNTIL PAGE 284 THAT WE ACTUALLY ARRIVE IN CHINA.

WP'S PAUL RICHARDS DESCRIBES BACKGROUND AND PREPARATIONS

BEING MADE FOR SHOWING OF ANCIENT CHINESE ARTIFACTS AT NATIONAL GALLERY. SAYS EXHIBITION - DESPITE BEAUTY OF ITS CONTENTS - IS NOT SO MUCH ART SHOW AS SHOW OF ARCHEOLOGY, AND MAY SURPRISE SOME VIEWERS, PARTICULARLY THOSE CONVINCED MAO IS WHOLLY HOSTILE TO CHINA'S FEUDAL PAST. THOUGH DURING GPCR RED GUARDS WERE

INSTRUCTED TO "DESTROY THE FOUR OLDS" (OLD THOUGHTS, OLD CULTURE, OLD CUSTOMS, OLD HABITS), THIS SHOW, INSTEAD, APPEARS TO FOLLOW MAO'S COINCIDENT INJUNCTION TO "LET THE PAST SERVE THE PRESENT."

8. JAPAN

S-N (DEC 5) VIEWS SELECTION OF MIKI AS HEADING OFF FOR TIME BEING BRUISING INTRA-PARTY FIGHT AMONG MOST POWERFUL LDP FACTIONS, AND AS PROVIDING CLEAN IMAGE TO FOLLOW FINANCIALLY TAINTED TANAKA LEADERSHIP. IT WAS NOT POLITICAL CLOUT THAT BROUGHT ABOUT MIKI'S EMERGENCE TO HEAD BOTH PARTY AND GOVT, SINCE HE REPRESENTS SMALLEST OF LDP'S FIVE PRINCIPAL FACTIONS.

HOWEVER, MIKI FACES MORE THAN CARETAKER'S JOB. JAPAN'S ECON PROBLEMS ADMIT OF NO DELAY IN SETTING FIRM POLICY COURSE. PARLIAMENTARY OPPOSITION IS VIGOROUS, AND RULING CONSERVATIVES CANNOT BE SMUG IN LIGHT OF RECENT ELECTION REVERSALS. MIKI IS ADVOCATE OF PARTY REFORM
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AND REORG, PROCESS THAT MIGHT WELL BE IN ORDER IF LDP GROUPING IS TO HANG TOGETHER AND REMAIN DOMINANT FACTOR IN JAPANESE POLITICS.

SOME SCHOLARS SEE CRISIS IN JAPANESE SOCIETY - FAILURE OF UNITY, PRIDE AND SELF-CONFIDENCE. THERE IS PUBLIC DISTRUST OF GOVT'S ABILITY AND WILLINGNESS TO SERVE NEEDS OF ORDINARY PEOPLE - COMPLAINT TO WHICH JAPAN'S BUSINESS-AS-USUAL POLITICIANS ARE VULNERABLE. ACCESSION OF MIKI, WITH HIS REPUTATION FOR COURAGE AND INTEGRITY, SHOULD BE PLUS FOR JAPANESE MORALE. BUT HE IS HARDLY REPRESENTATIVE OF NEW AND HOPEFUL GENERATION OF LEADERS, NOR ARE OTHER WOULD-BE SUCCESSORS OF TANAKA. JAPAN DUE FOR SOME MORE POLITICAL BUFFETING BEFORE GUARD REALLY CHANGES.

SUN ATTRIBUTES MIKI'S SELECTION TO FACTORS ALLUDED TO IN S-N EDIT. SAYS HE NOW HAS OPPORTUNITY TO RESPOND TO GROWING DEMAND, PARTICULARLY AMONG YOUNGER JAPANESE, FOR MORE OPEN AND DEMOCRATIC POLITICAL PRACTICES. HOW SUCCESSFUL MIKI WILL BE, OR HOW FAR HE WILL WANT TO GO, REMAINS TO BE SEEN, CAUTIONS SUN, NOTING THAT AFTER ALL, HE IS VETERAN OF OLD SYSTEM WHO IS THOROUGHLY

SCHOOLED IN CLOSE, CONVOLUTED JAPANESE TIE-IN BETWEEN BUSINESS AND POLITICS. HE IS ALSO MAN WITH HIGHLY INDEPENDENT STREAK WHO HAS ADAPTED EASILY TO NEW POST-WATERGATE RHETORIC EMPHASIZING HONESTY AND RESPONSIVENESS TO PUBLIC NEEDS AND OPINION, OBSERVES SUN. CONCLUDES

THAT TO EXTENT HE FOLLOWS UP IN CONVINCING MANNER, HE WILL MAKE JAPANESE POLITICS MORE DEMOCRATIC AND MORE SECURE.

9. KOREA

WP'S JACK ANDERSON IN SEOUL INTERVIEWS KIM DAE JUNG, WHO RELATES DETAILS OF KIDNAPPING. KIM ADMITS HE IS NOW FREE TO ATTEND CHURCH, PARTICIPATE IN POLITICAL ACTIVITY AND GO WHERE HE WISHES WITHIN SK. BUT COMPLAINS HE IS UNDER CONSTANT SURVEILLANCE BY KCIA. ANDERSON REPORTS HE SPOKE AT LENGTH TO PARK ABOUT UNCLASSIFIED

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KIM'S KIDNAPPING; SAYS PARK RESPONDED WITH UNCHARACTERISTIC BURST OF EMOTION AND TOLD HIM EARNESTLY: "I SWEAR TO GOD THAT I HAD NOTHING TO DO WITH THIS UGLY AFFAIR." CITES SOURCES CLOSE TO PARK AS AGREEING KIDNAPPING INCIDENT WOULD BE OUT OF CHARACTER FOR HIM, THAT PARK HAS STRONG FEELINGS AGAINST VIOLENCE. ANDERSON NOTES KIDNAPPERS HAVE NEVER BEEN IDENTIFIED, AND CONCLUDES THAT ALMOST CERTAINLY THEY WERE KCIA MEN BELONGING TO HARD-LINE KCIA FACTION ACTING ON THEIR OWN WITHOUT ORDERS FROM ABOVE. ANDERSON SAYS HE TOLD PARK OF HIS CONCLUSION; PARK AGREED ABDUCTION WAS PROBABLY WORK OF KCIA.

10. INDONESIA

LAT'S ELEGANT (DEC 5) IN PADGELANG (JAVA) INTERVIEWS RETIRED SMALL VILLAGE HEADMAN, WHO OBSERVES THAT "THERE'S BEEN NO REAL CHANGE HERE SINCE THE DAYS OF THE DUTCH." DEMONSTRATING REMARKABLE ISOLATION OF PADGELANG, ONLY 72 MILES FROM JAKARTA, ELEGANT CITES SOURCE AS SAYING HE GUESSES SUHARTO IS "ALL RIGHT, BUT HE'S NOT AS DEEPLY RELIGIOUS AS WAS (FORMER) PRESIDENT SUKARNO." NOTES SUKARNO WAS NOTORIOUS FOR HIS FREE-AND-EASY AMOURS, AS WELL AS HIS ALLIANCE WITH COMMUNISTS - WHICH SHOULD HAVE BEEN ANATHEMA TO PIOUS MOSLEM. BUT SOURCE REPLIED THAT SUKARNO'S RELATIONS WITH WOMEN WERE BETWEEN HIM AND GOD, AND SUKARNO WAS ONLY TRYING TO UNITE COUNTRY BY DEALING WITH COMMUNISTS. ELEGANT SAYS WHILE SOURCE'S OPINIONS MIGHT BE DISMISSED AS OUTMODED ATTITUDES OF MAN WHOM MODERN LIFE HAS PASSED BY, MAJORITY OF INDONESIA'S POPULATION LIVES IN VILLAGES LIKE PADGELANG AND IN VARYING DEGREES SHARE THIS APPROACH TO

POLITICS, FARMING, RELIGION AND MODERNIZATION.

11. MICRONESIA

LAT'S DAVID LAMB IN TINIAN (DEC 5) DESCRIBES FORMER

AIR BASE. NOTES TINIAN HAS BEEN TARGETED AS SITE OF
MAJOR, JOINT-SERVICES US MIL BASE COSTING 300 MILLION
DOLS AND HOUSING 2500 SERVICEMEN. REPORTS TINIAN
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HAS BECOME KEY ISSUE IN NEGOTIATIONS WITH US TO DECIDE
FUTURE STATUS OF MARIANAS. US MIL WANTS TO BUY
NORTHERN TWO-THIRDS OF ISLAND OUTRIGHT; ISLANDERS ARE
VEHEMENT IN MAINTAINING THEY WILL ONLY LEASE IT FOR 50
YEARS, WITH ANOTHER 50-YEAR OPTION.

12. GENERAL

LONDON OBSERVER (LAT DEC 5) REPORT FROM SINGAPORE
DISCUSSES WOMEN'S LIB IN ASIA; FINDS IT MASS OF PARADOXES.

CSM'S HALVERSON REPORTS PLANNED UK MIL CUTBACK FROM
ASIA - PRINCIPALLY SINGAPORE AND HK - IS VIEWED IN
WASHINGTON AS UNDERLINING INCREASED STRATEGIC IMPORTANCE
FOR LARGE US GARRISONS STILL REMAINING IN WESTERN
PACIFIC. SAYS UK'S ANNOUNCED CUTBACK IS RAISING NUMBER
OF MIL QUESTIONS: WILL US CONGRESS MOVE MORE QUICKLY
NOW TO PROVIDE FUNDING FOR EXPANDED US-UK MIL BASE AT
DIEGO GARCIA, AND IS SIZE OF USN PRESENCE IN MEDITERRANEAN
AND PERSIAN GULF AREAS ADEQUATE TO PROTECT WESTERN
SHIPPING LANES? KISSINGER

NOTE BY OC/T: POUCHED BUDAPEST.

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